

Abandoned Projects Policy Change

Memo

Date: December 3, 2008

TO: Customers

From: Jim Bartl, Director of Code Enforcement

RE: Abandoned Projects Policy change

CC: Willis Horton, Patrick Granson

At the request of the Building-Development Commission (BDC) in their July 2008 meeting, the Department researched the issue of abandoned projects further and met with professional community representatives to discuss the scope of the problem and possible solutions, eventually agreeing on the policy changes described herein. On November 18, the BDC voted in favor of the required local ordinance changes. The Mecklenburg County Board of Commissioners approved those changes on December 2, to become effective January 1, 2009.

Background

This problem is about cases where the owner's team applied for a permit, allowed the project to move through some or all plan review cycles and subsequently abandoned the project without paying for the permit. Code Enforcement staff conducted a detailed review of the problem scope by studying 584 projects moving through On-Schedule in the period January 1 through June 30, 2008. A copy of the report is available from the Department, and in brief the data indicated:

- Overall about 30% of all approved projects in the study period were abandoned (specifically 182 projects of 584 total projects).
- This represented an annual revenue loss of at least \$250,000 to the Department
- Abandonment rates varied by project size as follows:
 - 1-2-hour projects; 138/519 projects abandoned or 27%
 - and 23.6% of 584 projects audited)
 - 3-4-hour projects; 24/43 projects abandoned or 56%
 - and 4.1% of 584 projects audited)
 - 5-8-hour projects; 12/13 total projects abandoned or 92%
 - and 2% of 584 projects audited)
 - projects > 8 hours; 8/9 total projects abandoned or 89%
 - and 1.4% of 584 projects audited

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Policy Change

The Department will manage Abandoned Projects and Abandoned Plans as follows.

- Because the incidence of abandoned plans in CTAC is low (<5%), and the revised Mega Project process already secures payment for plan review services, policy changes will focus on On-Schedule projects only, excluding Mega and CTAC projects.
 - Policy does not apply to RTAPs, which are secured by the project contractor's account.
- Prior to or when submitting drawings, On-Schedule customers will be required to secure payment for plan review services by one of two methods:
 - Either the owner has an account with us, secured by a bond, to guarantee payment of review costs on an hourly basis if the project is abandoned. The account will be charged the full permit amount on application.
 - Or, charge the full permit fee up front, and if the project is abandoned, refund only the excess after deducting the hourly review cost.
 - On projects paying cash permit fees, Project Coordinators are available to assist in the fee calculation.
 - Approved abandoned projects in the same code change cycle with no plan changes will pay a total permit fee based on the LUESA fee schedule, Section II- A. Permit Fees, plus any added charges for 3rd or later review cycles.
- Abandoned Project Definition: projects will be considered abandoned if, after receiving automated notice from the County that a plan review cycle is complete, or a project is ready for permit issuance, no activity (drawings resubmitted, or permit taken out) is taken on the owners part for 120 calendar days.
- Abandoned Plans Destruction: subject to customer notice 10 calendar days in advance, drawings not picked up by customers within 30 calendar days of review completion, will be destroyed. Plan review comments will be retained in the On-Schedule project record.
 - This applies only to projects not ready for permitting (not passing plan review). Permit ready projects will be held for 120 calendar days before destroying plans.
- Effective date: January 1, 2009
 - For projects already in the system at 1/1/09, the 120-day clock will start on 1/1/09.

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Additional Information

If you have any questions regarding these changes, please contact Commercial Plan Review and Permitting Division at 980-314-2633, or any of the following:

- Patrick Granson, Code Enforcement Director, 980-314-3434;
Patrick.Granson@mecknc.gov
- Melanie Sellers, Director of Plan Review and Permitting, 980-314-3108;
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- Thomas Smith, On-Schedule Plan Review Manager, 980-314-3194;
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